

## Message Text

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12

ACTION EB-07

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 3004

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E.O. 11652: NA

TAGS: EWWT, RP

SUBJECT: PD 900 CREATING THE PHILIPPINE NATIONAL LINES

REF: MANILA 3357

FOLLOWING IS PARTIAL TEXT OF PD 900 WHICH CREATES THE  
PHILIPPINE NATIONAL LINES AND WHICH WAS ISSUED ONE WEEK  
AFTER PD 894 REQUIRING THE USE OF PHILIPPINE SHIPPING LINES  
FULL TEXT BEING POUCHED EA/PHL.

QUOTE. PRESIDENTIAL DECREE NO. 900  
CREATING THE PHILIPPINE NATIONAL LINES, DEFINING ITS POWERS  
AND FUNCTIONS, APPROPRIATING FUNDS THEREFORE AND FOR OTHER  
PURPOSES.

WHEREAS, THE GOVERNMENT, COGNIZANT OF THE VITAL ROLE THAT  
SHIPPING PLAYS IN THE ECONOMIC GROWTH OF THE COUNTRY, HAS GIVEN  
VARIOUS INCENTIVES TO PHILIPPINE SHIPPING COMPANIES FOR THE  
ACCELERATED EXPANSION AND MODERNIZATION OF THEIR FLEET;

WHEREAS, DESPITE THESE INCENTIVES GIVEN TO THE INDUSTRY,  
PRIVATE SHIPPING COMPANIES HAVE FAILED TO EXPAND AND MODERNIZE  
THEIR FLEET DUE TO THE HEAVY CAPITAL REQUIREMENT INVOLVED;

WHEREAS, STATISTICS SHOW THAT IN 1974, THE PHILIPPINE  
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OVERSEAS FLEET CARRIED ONLY A MEASLY 7.8 PERCENT OF THE

COUNTRY'S FOREIGN TRADE WHICH ACCOUNTED FOR A DRAIN OF SOME 600 MILLION DOLLARS REPRESENTING FREIGHT PAYMENTS TO FOREIGN FLAG CARRIERS;

WHEREAS, THE SITUATION IS EXPECTED TO GET WORSE IN THE YEARS TO COME UNLESS THE GOVERNMENT WILL TAKE AN ACTIVE PART BY WAY OF PIONEERING THE OPERATION OF A NATIONAL LINE THAT WILL AUGMENT BUT NOT COMPETE WITH THE FLEET REQUIREMENT OF THE PHILIPPINE INTERNATIONAL TRADE;

WHEREAS, SUCH GOVERNMENT INVOLVEMENT AND INITIATIVE SHALL FURTHER THE NATIONAL OBJECTIVE AND POLICY OF DEVELOPING NATIONAL SELF-RELIANCE, BEST SERVED THE INTEREST OF NATIONAL SECURITY, AND FACILITATE THE PERFORMANCE OF OTHER ESSENTIAL GOVERNMENTAL FUNCTIONS;

WHEREAS, A WELL DEVELOPED SHIPPING INDUSTRY SHALL SERVE TO MEET THE MARKET DEMANDS AND SERVICE REQUIREMENTS OF NEIGHBORING COUNTRIES IN SOUTHEAST ASIA.

NOW, THEREFORE, I, FERDINAND E. MARCOS, PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES, BY VIRTUE OF THE POWERS VESTED IN ME BY THE CONSTITUTION, DO HEREBY ORDER AND DECREE THE FOLLOWING:

SECTION 1. CREATION OF THE PNL. - THERE IS HEREBY CREATED A BODY CORPORATE AND POLITIC TO BE KNOWN AS THE PHILIPPINE NATIONAL LINES; HEREINAFTER REFERRED TO AS PNL, WHICH SHALL BE GOVERNED BY THIS DECREE AND ITS BY-LAWS AS AUTHORIZED HEREUNDER AND SHALL HAVE SUCCESSION FOR A PERIOD OF FIFTY (50) YEARS FROM AND AFTER THE DATE OF APPROVAL OF THIS DECREE. THE PRINCIPAL OFFICE OF THE PNL SHALL BE LOCATED IN A PLACE TO BE DETERMINED BY THE BOARD OF DIRECTORS.

SECTION 2. PURPOSE OF THE PNL. - THE PNL, BY ITSELF OR THROUGH ITS SUBSIDIARY/SUBSIDIARIES, SHALL UNDERTAKE ALL MANNER OF BUSINESS ACTIVITY FOR THE ESTABLISHMENT OF A RELIABLE SHIPPING SERVICES THAT SHALL INCLUDE BUT NOT BE LIMITED TO:

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A. THE OWNERSHIP, LEASE, CHARTER, MANAGEMENT AND OPERATION OF MERCHANT VESSELS, WHETHER FOR CARGO OR PASSENGERS ON A SCHEDULE, NON-SCHEDULED OR CHARTER BASIS ON DOMESTIC AND OR INTERNATIONAL SCALE;

B. SHIP BROKERAGE AND OTHER RELATED OR SUPPORTIVE ACTIVITIES;

C. THE OWNERSHIP, ESTABLISHMENT, MANAGEMENT AND OPERATION

OF SHIPBUILDING AND SHIP REPAIR FACILITIES IN ORDER TO  
PROVIDE ADEQUATE SERVICES TO THE SHIPPING INDUSTRY.

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